



LEGAL & GENERAL: A COMPELLING EQUITY STORY.

CASH:
£808m up
11%

SALES:
£1.8bn up
28%

**Earnings per
share:**
14.07p

NET CASH:
£728m

**NET NEW
ASSETS:**
£9.7bn

**Dividend per
share:**
4.75p

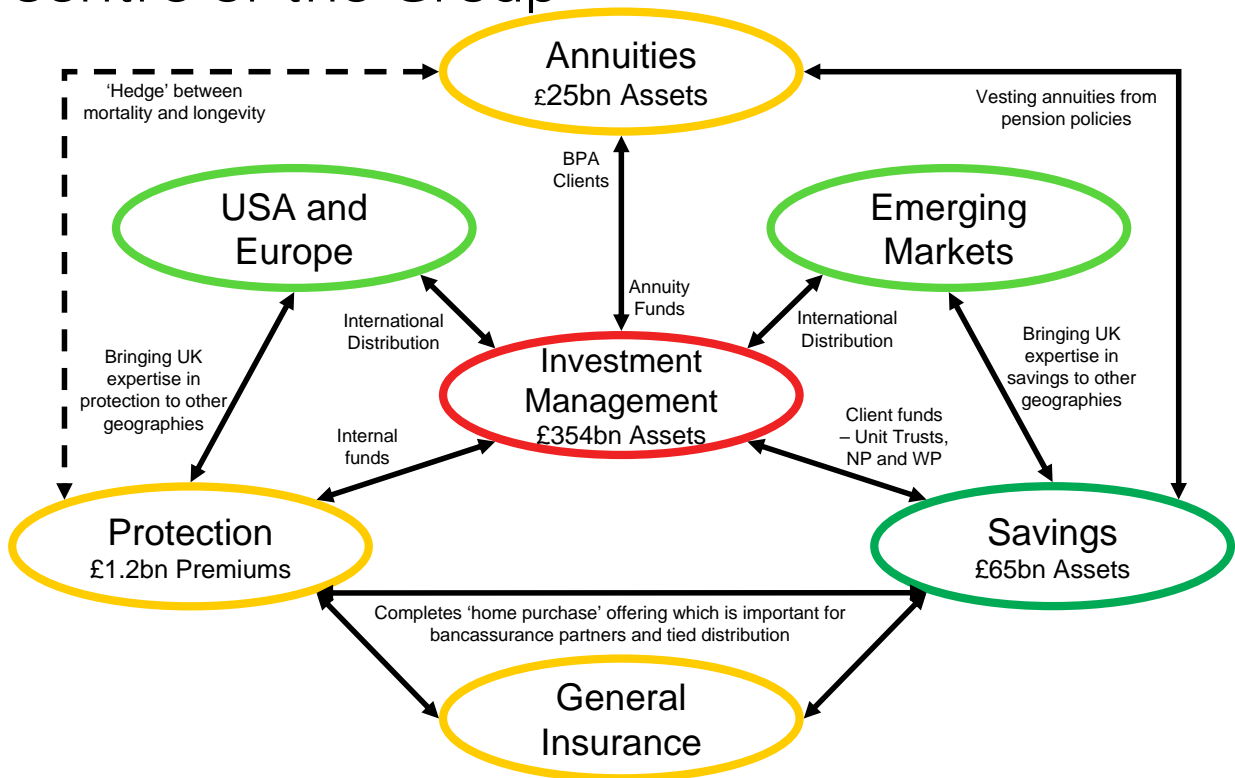


Deutsche Bank Conference,
New York
8 June 2011.

FORWARD LOOKING STATEMENTS.

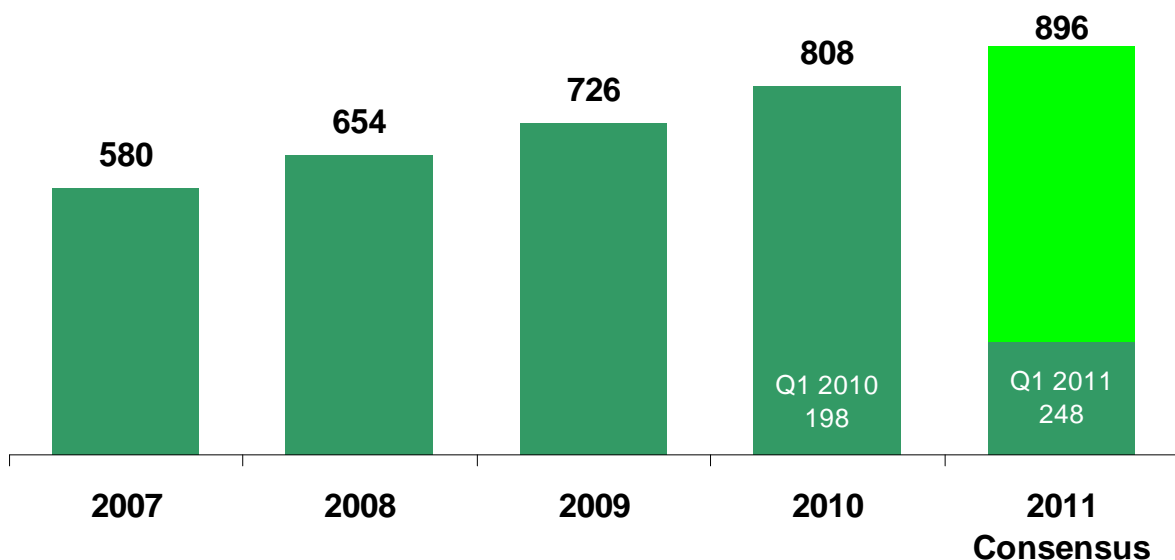
This document may contain certain forward-looking statements relating to Legal & General Group, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond Legal & General's control, including, among others, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisition or combinations within relevant industries. As a result, Legal & General Group's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this announcement should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.

Multiple Levels of Synergy – LGIM at the centre of the Group

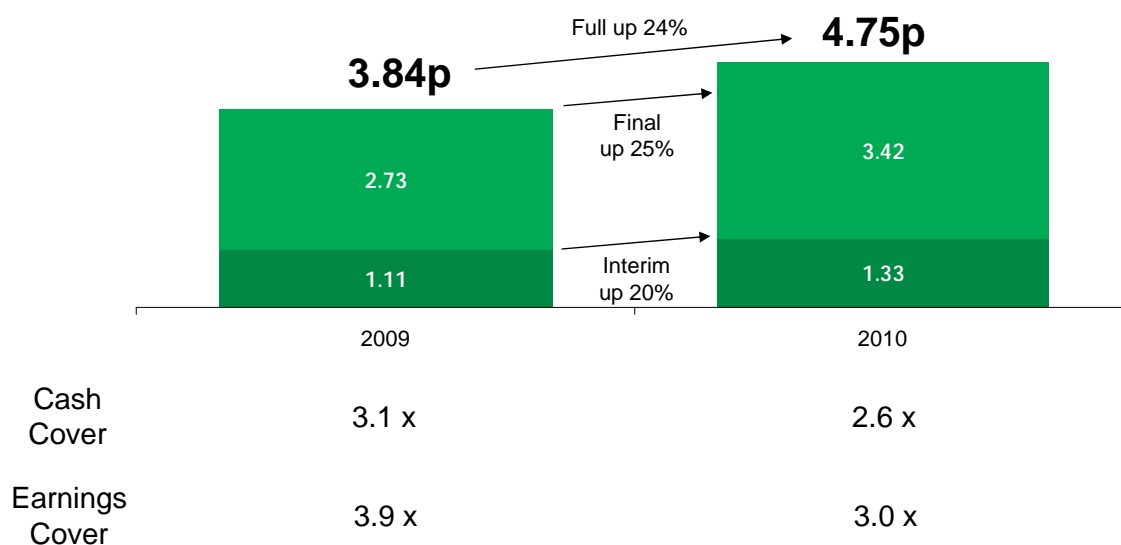


CASH: consistent 12% per annum growth. Diversified and balanced sources of cash.

Operational Cash Generation 2007 – 2011 (£m)



DIVIDEND PER SHARE: Increased by 24% in 2010.



Cash cover to move towards two times over the medium term, with the potential for further reductions

Legal & General: A compelling equity story.

1. Large and growing market shares in attractive markets.
2. Sustainable, predictable and growing cashflow coupled with dividend cover unwind which will result in superior dividend growth.
3. 'Increasing' cashflow *certainty* is slowly being reflected in the share price.
4. Strong balance sheet with successful measurement and management of risks in delivering cashflows:
 - Market risk on the asset side
 - Actuarial risk on the liability side

MODELLING THE BUSINESS.

	Operational cash generation (£m)			New business strain (£m)			Net cash generation (£m)		
Annuities	235	129	364	229	60	289			
Protection	203	(79)	124	216	(70)	146			
Insured Savings	58	(77)	(19)	77	(70)	7			
In-force cash generation	496		469	522		442			
With-profits	46		46	46		46			
Savings Investments and other savings	2		2	15		15			
GI and other risk	16		16	(6)		(6)			
LGIM	125		125	162		162			
International dividends	8		8	44		44			
Group capital and financing	33		33	25		25			
Total	726	(27)	699	808	(80)	728			
Variations and other			28			(10)			
International (excl. dividends)			78			33			
Tax gross up			304			251			
Operating profit			1,109			1,002			

UK UVIF*: £7.9bn (FY 2009)

UK UVIF*: £8.0bn (FY 2010)

*UVIF: Undiscounted Value of In-Force

HIGH DEGREE OF CONFIDENCE OVER 2011 CASH.

	Operational cash generation (£m)			New business strain (£m)			Net cash generation (£m)			Q1 2011 (£m)
Annuities	229	60	289	c. 220						
Protection	216	(70)	146	c. 230						
Insured Savings	77	(70)	7	c. 100						
In-force cash generation	522		442	c. 550						
With-profits	46		46	c. 50						
Savings Investments and other savings	15		15							
GI and other risk	(6)		(6)							
LGIM	162		162							
International dividends	44		44	c. 50						
Group capital and financing	25		25							
Total	808	(80)	728			700				
Variations and other			(10)							
International (excl. dividends)			33							
Tax gross up			251	248	(36)	212				
Operating profit			1,002							

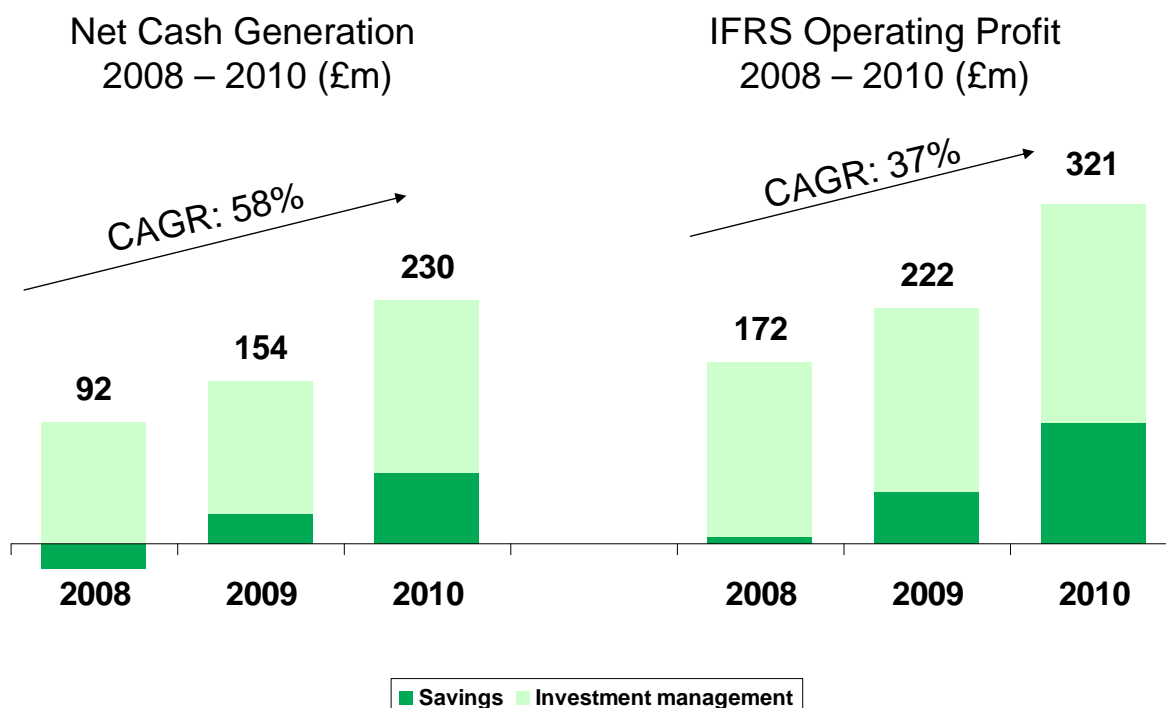
UK UVIF*: £8.0bn (FY 2010)

FY 2011

Q1 2011

2011 Cash Target: £700m

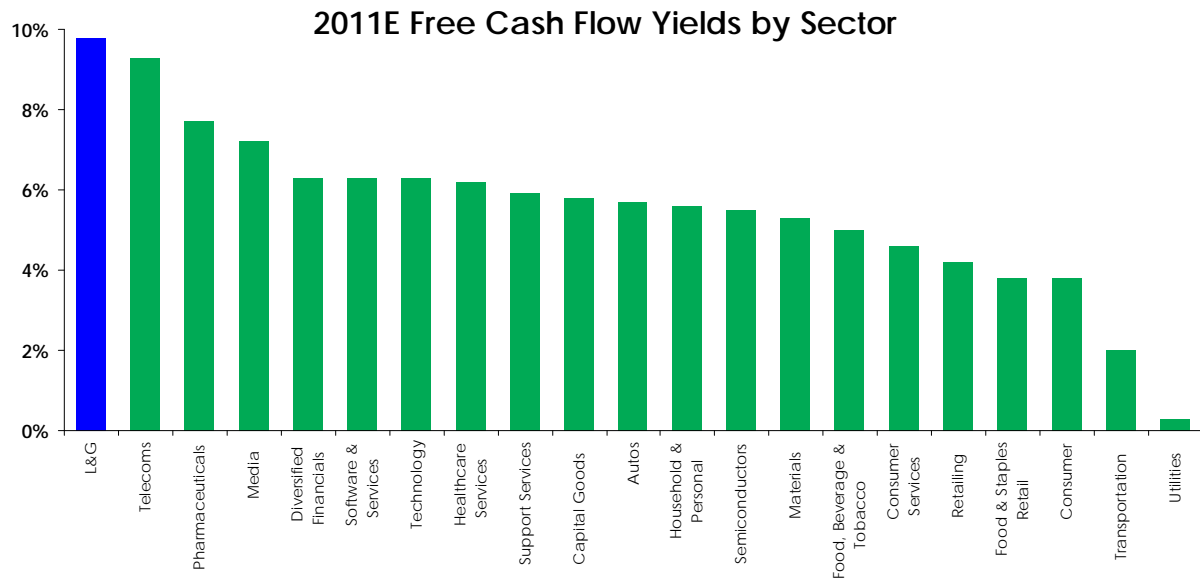
Savings & LGIM: Massive increase in cash and profits



OPERATIONAL CASH GENERATION: Diversifying sources of cash generation.

Operational cash generation (£m)	2010	%	2009	%
UK long term Annuities	229	28	235	32
UK long term Protection	216	27	203	28
General insurance and other risk	(6)	(1)	16	2
UK long term insured Savings	77	10	58	8
UK long term with-profits Savings	46	6	46	6
Savings Investments	21	3	5	1
Other savings	(6)	(1)	(3)	-
Investment management (LGIM)	162	20	125	17
International	44	5	8	1
Group capital and financing	25	3	33	5
Total	808	100	726	100

VALUATION: Free Cash Flow Yields.



Source: Global BofAML estimates, 27/4/11. LGEN Share Price 118.0p (as at 26 April 2011)

VALUATION: IFRS/EEV Multiples.

Implied Share Price (p)	LGIM & Unit Trust Post Tax 2010 IFRS Profit Multiple (x)					
	11	12	13	14	15	
2010 EEV (ex LGIM & UT) Multiple (x)	0.6	111	114	117	120	123
	0.7	123	126	129	132	135
	0.8	136	139	142	145	148
	0.9	148	151	154	157	160
	1.0	160	163	166	169	172
	1.1	173	176	179	182	185

MARKET LEADING BUSINESSES.

RISK BUSINESS

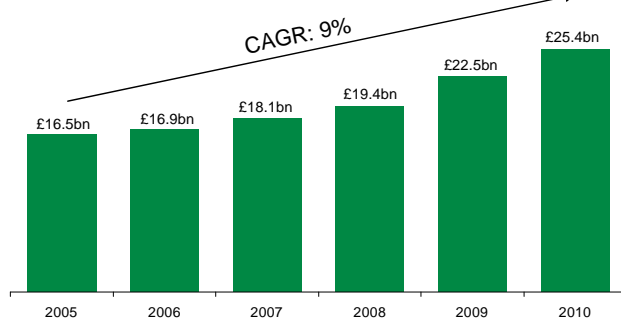
2010: IFRS Profits: £560m (2009: £735m)
Cash: £429m (-15%)

ANNUITIES

2010: Operational Cash: £229m (-3%)
Net Cash: £289m (-21%)

High scale spread business. #1 in the UK. Experts in annuities. Strong growth prospects

In-force Annuity Assets 2005-2010

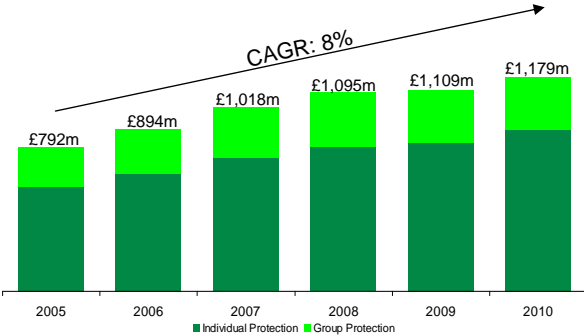


HOUSING & PROTECTION

2010: Operational Cash: £210m (-4%)
Net Cash: £140m (+0%)

High scale insurance business. Leading distribution franchise. 15-20% market share. #1 in the UK

In-force Protection Premiums 2005-2010

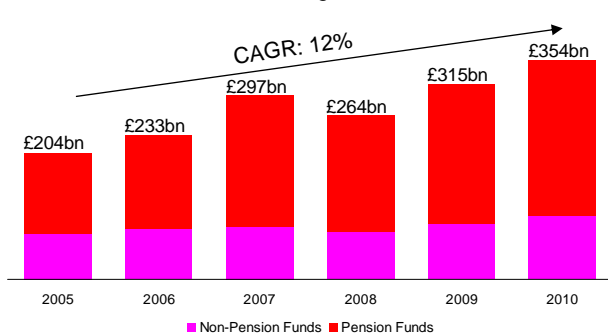


INVESTMENT MANAGEMENT

2010: IFRS Profits: £206m (+20%)
Cash: £162m (+30%)

Low cost asset manager, 15-20% share in the UK. Strong international growth potential

LGIM Assets Under Management 2005-2010

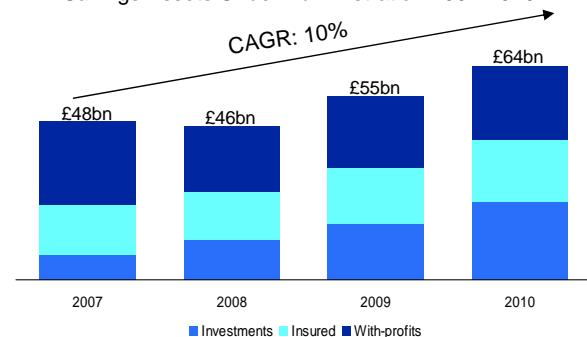


SAVINGS

2010: IFRS Profits: £115m (+130%)
Cash: £68m (+134%)

Transformation continuing. Sales up 43%, headcount down 20%. Attractive market prospects

Savings Assets Under Administration 2007-2010



INTERNATIONAL

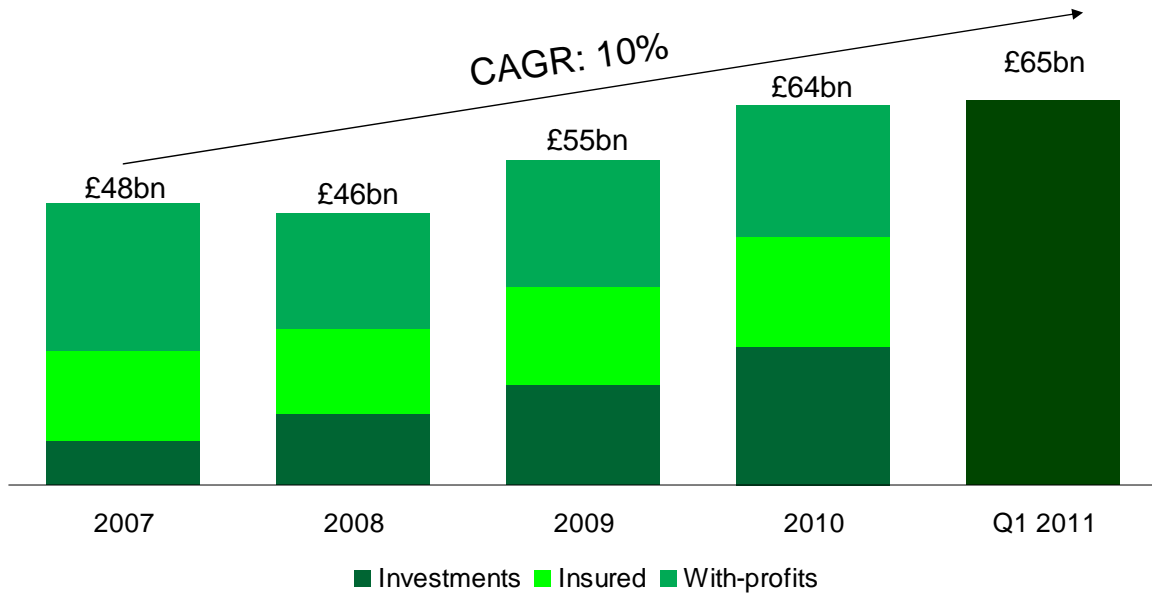
2010: IFRS Profits: £102m (2009: £127m) Cash: £44m (2009: £8m)

Aim to be coherent, dividend paying and delivering acceptable returns

US	\$778m premiums, \$175m operating profit, \$53m cash	Europe	€709m premiums, €37m profits, €12m cash	Emerging Markets	£53m APE in India
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BUSINESS GROWTH: Savings.

Savings Assets Under Administration 2007-2010



SAVINGS MARKETS: Continued prospects of good growth, driven by supportive regulatory agenda.

5-10% pa

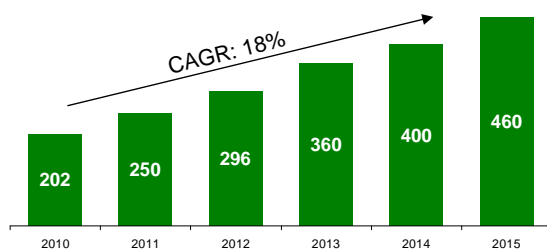
Rising Consumer Confidence:

- Savings ratios increasing in the UK
- Customers and Employer confidence improving
- Platforms to increase in importance

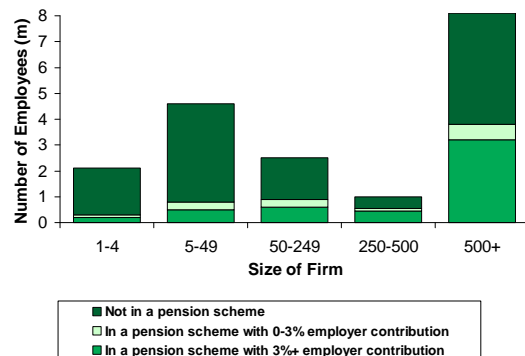
Regulatory Stimulus:

- Auto enrolment to drive increased workplace pensions demand
- RDR plays to L&G's strengths

Estimated Platform Market Size £bn



UK Pension Provision by Employer Size

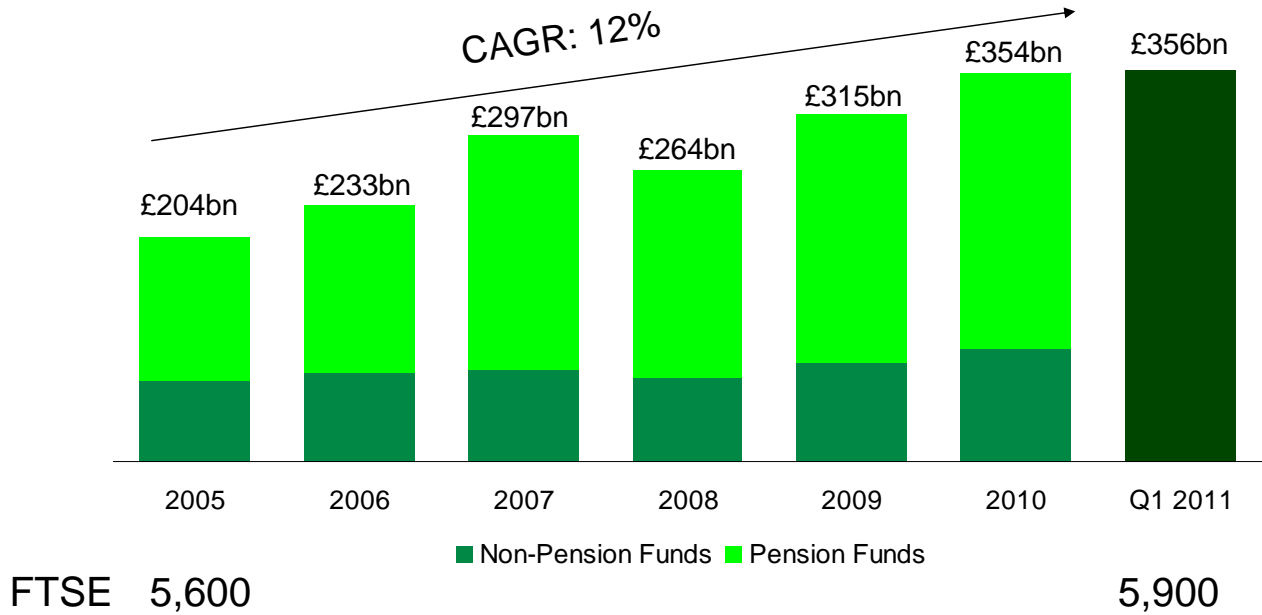


Source: Management Estimates

Source: DWP analysis based on Employers' Pension Provision Survey

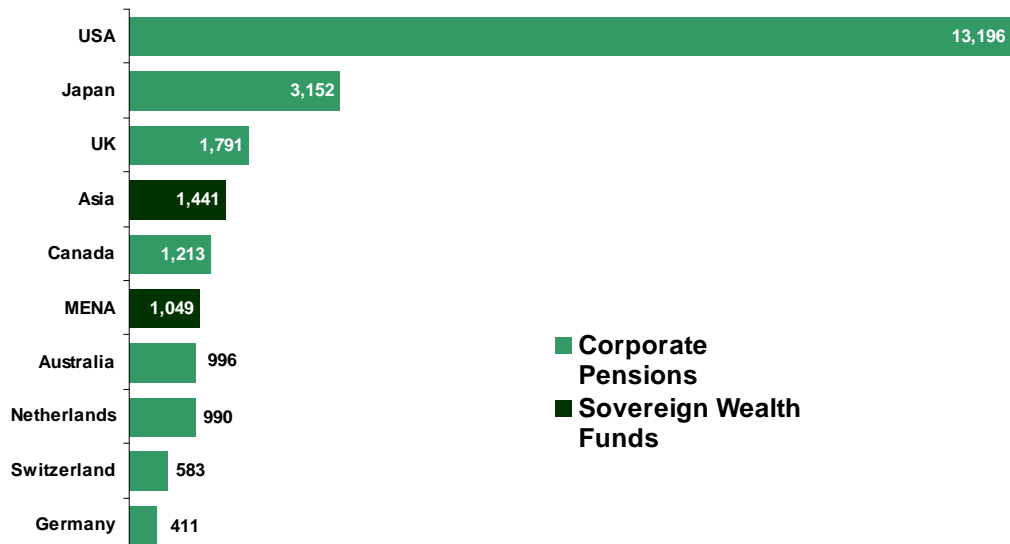
BUSINESS GROWTH: LGIM.

LGIM Assets Under Management 2005-2010



LGIM'S MODEL IS BEING DEPLOYED INTO THE WORLD'S GLOBAL ASSET MANAGEMENT POOLS.

Global Asset Pools 2010 (£bn)



INVESTMENT MANAGEMENT: A record year for LGIM Operating Profit of £206m.

Financial highlights (£m)	2010	2009
Investment management IFRS Operating profit	206	172
Net cash generation	162	125
LGIM highlights		
Total revenue	378	316
Total costs	(172)	(144)
IFRS Operating profit	206	172
Average ad valorem fee margin (bps)	10.7	9.8
Average expense margin (bps)	5.5	5.2
Gross new fund management mandates (£bn)	33.1	31.5
Closing funds under management (£bn)	354	315

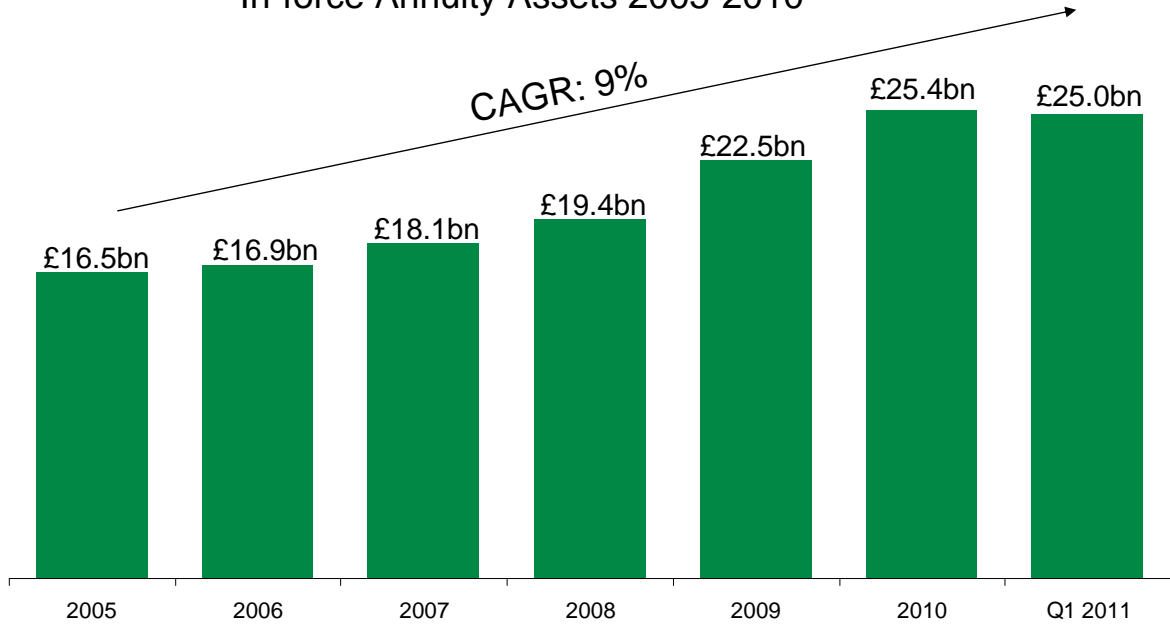
LGIM FUNDS: Diversified across passive and active asset classes.

Funds under management (£bn)	31/12/10	31/12/09	% Change
Index			
UK Equities	72	69	4
International Equity	86	74	16
Fixed Interest (incl cash)	71	65	8
Total – Index	229	208	10
Active			
Equities	9	9	4
Fixed Interest	67	61	9
Structured solutions (incl LDI)	41	30	36
Property and Other	8	7	23
Total – Active	125	107	17
Total	354	315	12

Growth in index, international, fixed interest and LDI

BUSINESS GROWTH: Annuities.

In-force Annuity Assets 2005-2010



ANNUITIES: Ageing population and reduced trustee risk appetite driving strong growth.

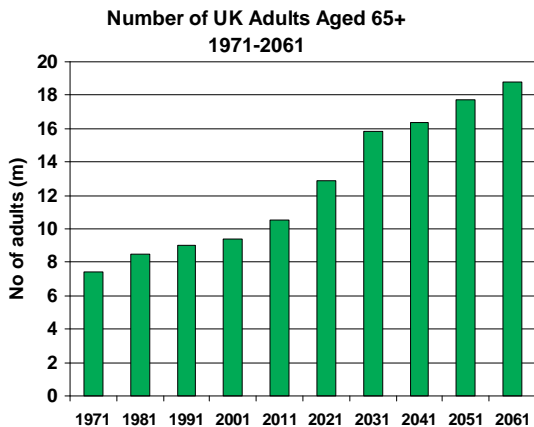
10-15+% pa

Individual Annuities: 10-15%pa

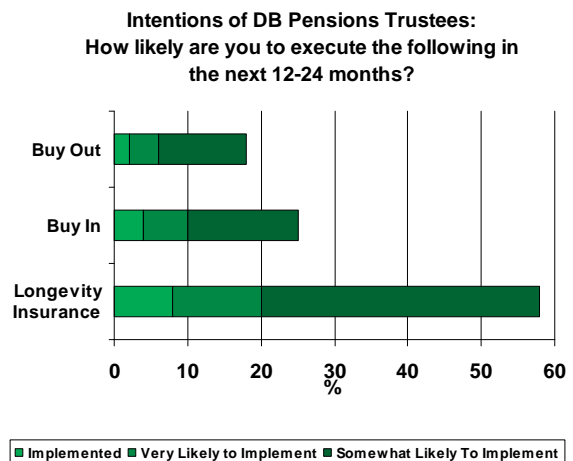
- DC Savers of the 1980s reaching retirement
- Ageing population

Bulk Annuities: 15%+pa

- Increased appetite for de-risking amongst DB pension trustees
- £1 trillion of DB assets: flow into annuities c.£5bn pa



Source: ONS



Source: AON Hewitt Global Pension Risk Survey 2011

UK PENSIONS BUY OUTS RISE.

Financial Times, FTfm, 21st March 2011

Buy-out/Buy-in deals completed in 2010

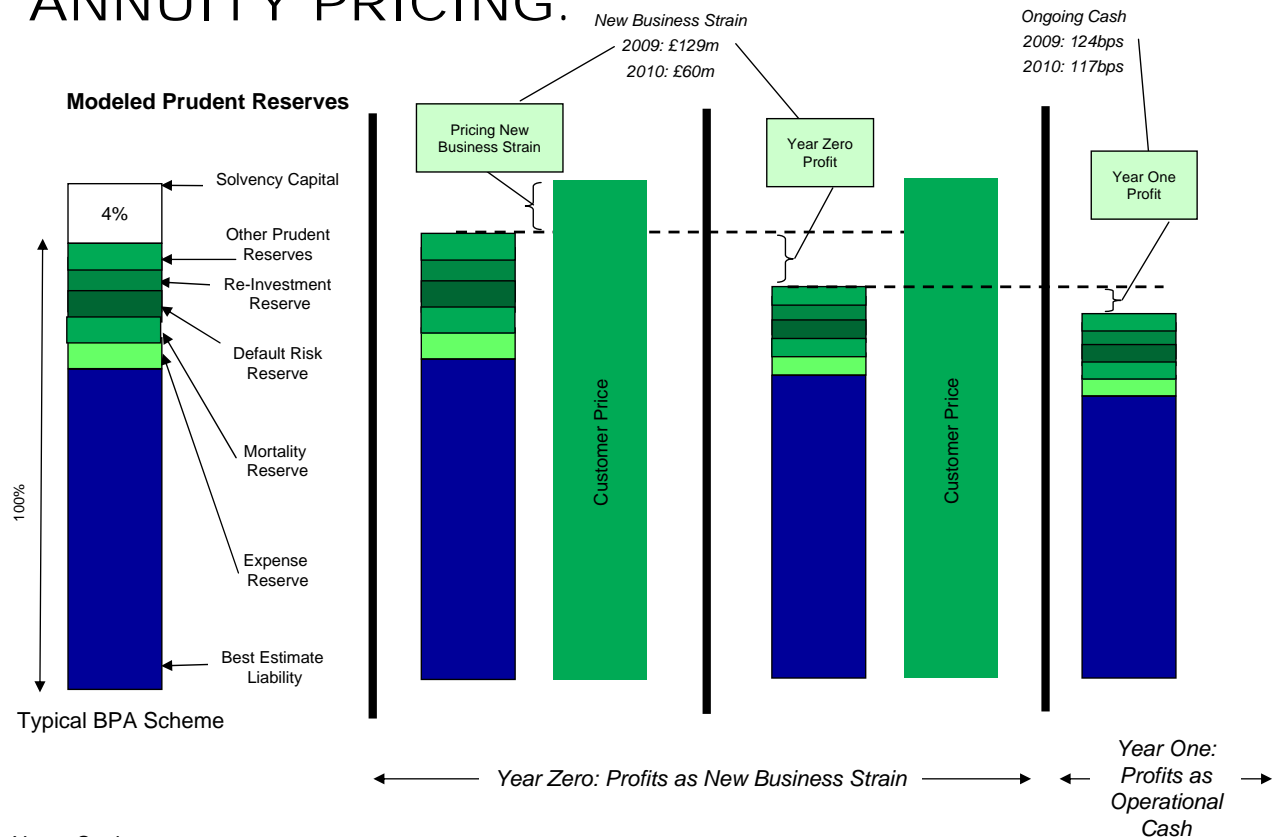
	Number of Deals Completed					Value of Deals Completed (£m)					Ave Size (£m)
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
Aegon	1	-	-	-	1	22	-	-	-	22	22
Aviva	10	5	6	12	33	346	65	135	327	873	26
L&G	32	26	20	37	115	141	300	81	360	882	8
Lucida	-	1	-	-	1	-	100	-	-	100	100
MetLife	6	3	3	5	17	234	65	31	50	380	22
PIC	2	2	1	-	5	305	375	43	-	723	144
Prudential	-	-	-	1	1	-	-	-	892	892	892
Goldman Sachs	-	1	-	-	1	-	1,300	-	-	1,300	1,300
Total	51	38	30	55	174	1,048	2,205	290	1,629	5,172	30

L&G Share	63%	68%	67%	67%	66%	13%	14%	28%	22%	17%
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Q1 2011: L&G 21 Deals, £23m Value

Source: Hymans Robertson

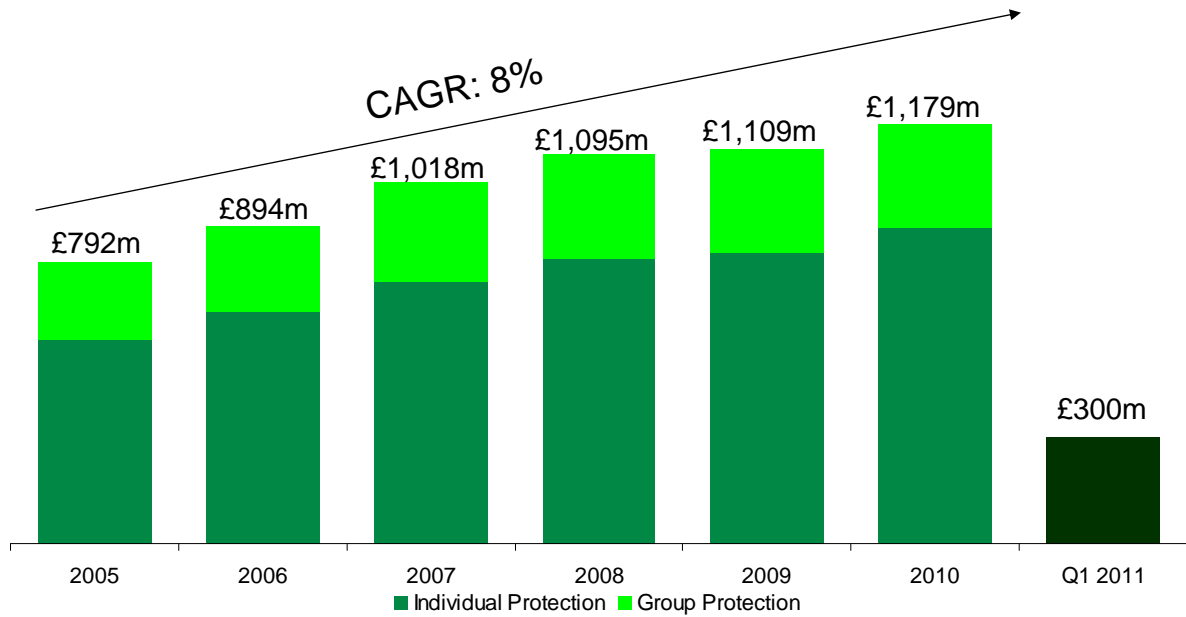
ANNUITY PRICING.



NB: Not to Scale

BUSINESS GROWTH: Protection.

In-force Protection Premiums 2005-2010



PROTECTION GROWTH RETURNING, WITH OPPORTUNITIES TO INNOVATE.

c.5% pa

Individual Protection:

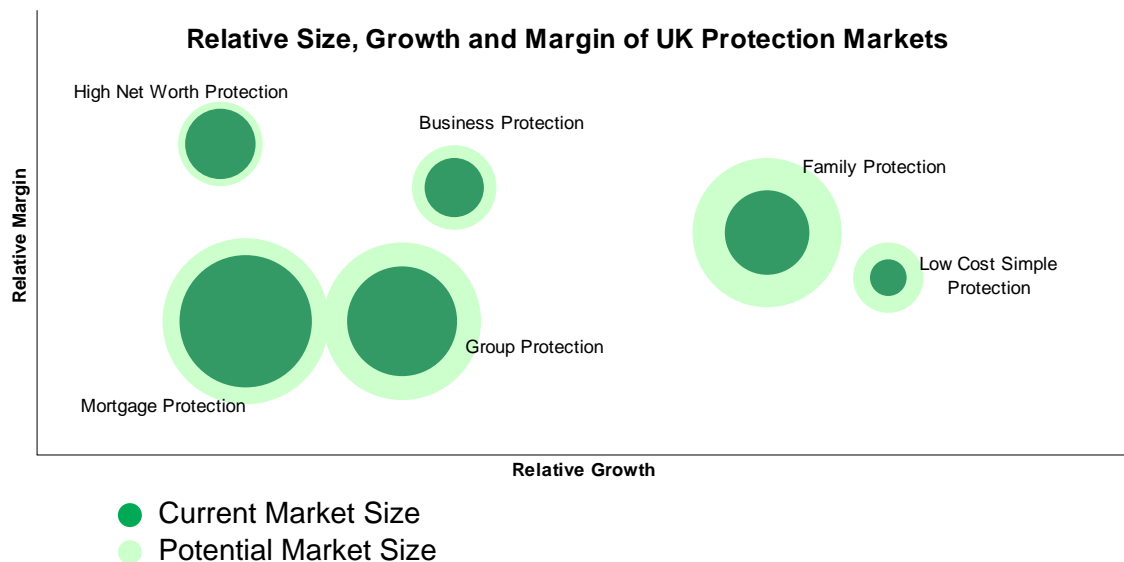
0-5%pa

- Mortgage market to recover slowly
- Significant latent demand.....but new markets will take time to emerge

Group Protection:

c.5%pa

- Recovery in UK employer confidence
- Transfer of risk from public to private sector



INTERNATIONAL: Generating cash from mature markets, continuing to invest in emerging markets.

Financial highlights (£m)	2010	2009
USA	85	86
Europe (France and Netherlands)	26	46
Middle East and Asia (Egypt, the Gulf and India) ¹	(9)	(5)
IFRS Operating profit	102	127
New business APE	146	115
Net cash generation	44	8

(1) Includes divisional head office costs

SALES:
 2010 : 28% growth in APE, £10bn net asset flows.
 Q1 11: 12% growth in APE, £2.6bn net asset flows.

New business sales (£m)	Q1 2011	2010	2009
Protection APE	48	175	180
Annuities APE	24	207	186
Savings APE	320	1,253	907
International APE	41	146	115
Worldwide new business APE	433	1,781	1,388
LGIM gross new business (£bn)	10.8	33.1	31.5
LGIM net asset flows (£bn)	2.0	6.6	8.8
Savings net asset flows (£bn)	0.6	3.1	1.7
Total net asset flows (£bn)	2.6	9.7	10.5

CONTINUED STRONG PERFORMANCE AND RETURNS.

Summary IFRS income statement (£m)	2010	2009
Risk	560	735
Savings	115	50
Investment management	206	172
International	102	127
Group capital and financing	58	57
Group projects	(39)	(32)
Operating profit	1,002	1,109
Variation from longer term investment return	90	(16)
Property losses attributable to non-controlling interests	-	(19)
Profit from ordinary activities before tax	1,092	1,074
Tax	(272)	(230)
Profit from ordinary activities after tax	820	844
Return on equity (%)	18.2	22.2
Earnings per share (p)	14.07	14.82
Full year dividend per share (p)	4.75	3.84

MODELLING IGD.

IGD surplus £m	2010	2011
At 1 January	3,148	3,745
Operational cash generation	808	
New business strain	(80)	
Dividends	(279)	
Experience variances and assumption changes	138	
Investment variance	46	
Increase in operational solvency capital requirement	(155)	
Release of capital from US capital management programme	132	
Other	(13)	
At 31 December	3,745	

MARKET AND ASSET RISK MANAGEMENT.

Market risk

- Asset liability mismatch figures – liabilities 12 years, assets 11 years
- Risk tolerances set and monitored for inflation, FX and interest rate mismatches
- Spread of high quality banking counterparty exposures

Asset risk

- Detailed credit surveillance of asset portfolios
- Monitor asset quality of portfolios to keep within tolerance
- Substantial diversification by sector and territory and asset class – LGPL has c. 500 credits with average size c. £45m
- Increased exposure to high quality sovereign debt

Liquidity and Collateral risk

- Minimal liquidity risk due to illiquid liabilities
- Monitor and stress risks in portfolios
- Group syndication facility as back-up

INSURANCE RISK MANAGEMENT.

Mortality / longevity risk

- Large annuitant portfolio with sophisticated postcode modelling of risks including segmentation of enhanced / lifestyle CPA
- Large protection portfolio with volatility managed via event limits, reinsurance including cat risk
- GI tail risk managed via weather cat cover
- High quality reinsurance used to control exposure

Persistency risk

- High retention rates in LGIM
- Reduction in front loaded commission
- Careful broker selection, and commission linked to persistency

2010: Delivering on our strategy Cash and Growth not mutually exclusive.

Financial highlights (£m)	2010	2009
Net cash generation	728	699
Worldwide new business (£bn)	1.8	1.4
IFRS Operating profit	1,002	1,109
IFRS profit before tax	1,092	1,074
EEV Operating profit	1,224	1,319
EEV profit before tax	1,677	552
IGD Surplus ¹ (£bn)	3.7	3.1
Final dividend (p)	3.42	2.73
Full year dividend (p)	4.75	3.84
Dividend cash cover (times)	2.6	3.1
Dividend EPS cover (times)	3.0	3.9

(1) Estimated